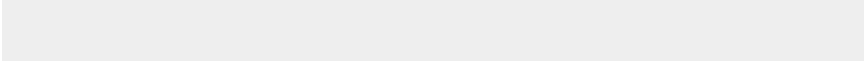

Task force: Check spending on police and fire benefits

SAN ANTONIO — Health care benefits for San Antonio's police officers and firefighters are “richer by a large margin” than those of their peers in Texas' other largest cities, so the City Council should consider adjusting them to align more closely, a city task force is expected to recommend.

Among the group's recommendations is that the City Council establish policies that ensure the overall police and fire budgets are managed in a way that their expenses don't crowd out other portions of the city's general fund — such as libraries and parks. The deepest thrust of the task force's efforts addresses the growing expenses in active-duty health care for rank-and-file members of the police and fire departments.

The task force, which concluded its work Monday,  was charged with studying the health care and retirement benefits of San Antonio's rank-and-file uniform personnel and their families.

Last August, City Manager Sheryl Sculley proclaimed that the overall public safety budget would consume the entire general fund, which currently is about \$1 billion, by 2031 if left unchecked.

Less than a week later, Mayor Julián Castro announced he would create a task force to study the issue and make recommendations to the council. The task force is made up of members representing active-duty and retired police and fire personnel, the business community, the civilian workforce and others. Sculley was one of the 13 members appointed to the panel.

Castro tapped former Councilman Reed Williams to lead the group.

On Monday, after eight meetings since late October, Williams declared the task force's work a success.

“We confirmed that we've got a problem: The public safety expenses are growing faster than the general fund revenue,” he said after the task force's final meeting. “It's important because a lot of people didn't believe that.”

But don't count fire union President Chris Steele as one of the converted.

Steele said he doesn't believe that the so-called “legacy costs” — active-duty health care benefits, pension contributions by the city, prefunded retiree health care and other benefits — are forcing public safety expenditures to outpace general-fund revenue growth.

Steele places the blame on the city manager and the council for misplaced priorities.

“We don't want a \$6 million fire station,” he said. Steele also complained about city expenditures on its computer-assisted dispatch system and radios.

Williams said the task force's direction was to focus on legacy costs — not the entire public safety budget.

“We weren't put in here to study that,” he said. “We studied benefits costs.”

Williams said when the task force first convened the public perception was that legacy costs were “out of control” and would eventually consume San Antonio like they did in Detroit.

“That's not the case. It's controllable,” he said. “But it's going to take hard negotiations.”

Those negotiations will happen this year. The police and fire collective bargaining agreements, known as “CBAs,” are set to expire in September. As the two sides meet at the negotiation table, one priority will be to discuss active-duty health care.

The task force acknowledged in one of its sweeping general statements for the City Council that health care benefits for uniform personnel and their families are “richer by a large margin” than their civilian counterparts, private employers in San Antonio and peer cities in Texas, including Houston, Dallas, Austin and El Paso.

Their contribution levels, too, are “richer by a large margin” than those comparison groups. The task force will recommend to the council that it review adjusting the level of health care benefits and

contributions to more closely align with everyone else's.

Adjustments to the active-duty health care plan could only be made through collective bargaining.

The task force also recommended that council have its intergovernmental relations subcommittee study prefunded retiree health care, which serves as a bridge insurance plan between when public safety officials retire and when they turn 65 and receive Medicare. Once retirees join Medicare, their city-funded retiree health care becomes supplemental.

Williams suggested that going forward, it might make sense to purchase insurance for retirees under the Affordable Care Act rather than keeping them in a small pool of insured local retirees.

The task force will also recommend to council that while the Police and Fire Pension fund is “well-managed” and growing only slightly faster than general fund revenues, it should “continue to study active compensation and retiree benefits” — wages and pension contributions.

Changes to wages would be made under collective bargaining while altering pension contribution requires action by the Texas Legislature.

As if to illustrate the breadth and importance of health care issues, the task force is forwarding to council several general recommendations within the umbrella of health care, including:

Implementing a vigorous wellness strategy;

Negotiating a uniform health care plan design and premiums as part of CBAs;

Prioritizing the control of health care costs during CBA negotiations;

Executing regular employees' dependents audits.

If the council doesn't rein in public safety expenditures, the only other option is to increase revenues, Williams said. That translates to increasing the property tax rate, he said, and that's an option no one wants to consider.

jbaugh@express-news.net

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